

Date of submission: 28th May 2020

To, The Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 539551	To, The Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050 Scrip Code- NH
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Dear Sir/Madam,

Sub: Disclosure on impact of COVID-19 pandemic on the Business and Operations of the Company

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020, please find below the impact of COVID-19 on the business and operations of the Company.

1. Impact of the COVID-19 pandemic on the business

The lockdowns and restrictions imposed on various activities due to Covid-19 pandemic have materially impacted our business, as also for the healthcare industry as a whole, because of the following key reasons:

- Severe restriction on movement of people (both within city and inter-city) affecting our staff as well as patient flow.
- Patients choosing to postpone elective procedures; these form the bulk of inpatient operations for a super-specialized healthcare operator.
- Certain group hospitals viz. NH SRCC Mumbai, NMH Ahmedabad & NMH Howrah have been designated as Covid Hospitals under the Epidemic Diseases Act further impacting normal patient flow to these units; besides, Governments of Gujarat and Maharashtra have capped the prices that can be charged to Covid patients.
- Abundant precautions being taken to avoid cross contamination resulting in reduction in staff in attendance, moving to 6-hour shifts, full PPE gear for staff with its cost implications, hospital zoning for levels of infectivity impacting effective hospital capacities.
- Delays in receiving approvals towards Covid testing facility for laboratories within our Hospitals along with delays in approvals for applicability of the Covid test on inpatients.
- Complete shut-down of international travel affecting patient flow from Bangladesh, Middle East and Africa (In our case, 2/3rd of our International patient business by value, is from people visiting from Bangladesh).

Sai Charan



Narayana Hrudayalaya Limited

(Previously Narayana Hrudayalaya Pvt. Ltd.) CIN : L85110KA2000PLC027497

Registered Office : 258/A, Bommasandra Industrial Area, Anekal Taluk, Bangalore 560 099

Corporate Office : 261/A, 2nd Floor, Bommasandra Industrial Area, Anekal Taluk, Bangalore 560 099

Tel : +91 80 7122 2222 Fax: +91 80 2783 2648. www.narayanahealth.org

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down

None of our Indian operations have closed during this phase. Our overseas subsidiary's operations at Cayman Islands underwent a 2-week temporary shutdown after a patient tested positive for Covid-19 with delayed symptoms. Since then, operations have restarted at our overseas facility and is ramping up.

3. Schedule, if any, for restarting the operations

Not Applicable

4. Steps taken to ensure smooth functioning of operations

In line with the best clinical protocols, we have taken a host of measures keeping in mind the best interests of our patients as well as staff in these times. Few key ones are as follows:

- Online Consultations - Initiated online consultations through audio and video via purpose-built application by NH SDC (Software Development Centre). Around 15% of present total OP consultations are being conducted through our app.
- Making all hospitals Covid ready – Established clinical protocols to handle Covid-19 positive and negative patients with minimal disruption to operations. Have accumulated sufficient stocks of Personal Protective Equipment (PPE) and increased Covid testing capabilities in Health City, Bangalore and RTIICS, Kolkata. Will eventually roll out Covid testing capabilities across all units.
- Patient Logistics – Focussed effort on building confidence among local communities that we have taken all steps to ensure patient safety. Moved communication channels to digital modes and are streamlining the patient journey to ensure a contact-less experience.

5. Estimation of the future impact of CoVID-19 on its operations

We are still in the process of assessing the complete impact of this pandemic on our business. We will continuously update our medical operations in response to the trajectory of the coronavirus.

Notwithstanding the current challenges, operational trends have improved since the relaxations in lockdown restrictions in quite a few hospitals. We are cautiously optimistic about the prospects of the business recovery in the medium term.

6. Details of impact of CoVID-19 on listed entity's capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and control, supply chain, demand for its products/services

The present situation has impacted the financials of the Company with consolidated operational revenue for the month of April 2020 registering around 35% of our pre-Covid revenue. This has resulted in negative profitability and consequently negative cashflows in this period. In the short term, we do not anticipate any difficulty in our ability to borrow to tide over this period. Moreover, our business is predicated on advanced elective surgeries, which cannot be postponed indefinitely.

Sudhakar



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We have embarked upon a host of cost-control measures including graded cuts in compensation of our staff along with temporary closure of certain hospital wings (depending on the occupancies) to minimize overhead-utility costs.

Our strategic focus on consolidating existing operations helped us strengthen the Balance Sheet of the Company before Covid-19. This is expected to be a key differentiator in our industry and hold us in good stead.

The Company does not anticipate incremental risk to recoverability of assets (inventories, receivables, etc.) or any major supply chain disruption. There is also no impact on internal financial controls due to the Covid-19 situation.

7. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business

While we have initiated discussions with certain counterparties for waiver/deferment/reduction of certain payout obligations, we do not foresee any of this having any negative impact on the business and if at all, can improve profitability/cash flow of the Company.

We request you to take the above information to your record and oblige.

For Narayana Hrudayalaya Limited


Sridhar S

Group Company Secretary, Legal & Compliance Officer